

BAROQUE JAPAN LIMITED

FY2025/02 Third Quarter
Financial Results and Supplementary Information

January 14, 2025

Tokyo Stock Exchange Prime Market
Stock code 3548



1	FY2025/02 Third Quarter Results Overview
2	Revision to FY2025/02 Full Year Financial Results Forecast

FY2025/02 3Q Cumulative Consolidated Results Summary

(JPY mil)	FY2025/02 3Q Cumulative	YoY	FY2024/02 3Q Cumulative
Net Sales	**42,667**	96.5%	44,236
Gross Profit	**24,777**	96.5%	25,678
Gross Profit Ratio	58.1%	+0.1pt	58.0%
SG&A Expenses	**23,843**	99.9%	23,878
SG&A-to-Sales Ratio	55.9%	+1.9pt	54.0%
Operating Profit	**934**	51.9%	1,800
Operating Profit Ratio	2.2%	(1.9)pt	4.1%
Ordinary Profit (Loss)	**(45)**	-	1,989
Ordinary Profit Ratio	(0.1)%	(4.6)pt	4.5%
Profit (Loss) Attributable to Owners of Parent	**(464)**	-	1,188
Profit Ratio	(1.1)%	(3.8)pt	2.7%

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FY2025/02 3Q Cumulative Consolidated Results Summary

Net Sales — 42.66 bil (96.5% YoY)

- Domestic sales were 96.7% year-on-year. Although September and October performance was weak due to the warm winter, the number of customers recovered in November as the temperature dropped and outerwear sales picked up. In addition, sales of FB/SB brands grew 102.0% year-on-year, and sales of department store brand grew to 101.0% year-on-year. EC sales increased to 103.1% of the same period in the previous fiscal year, while the SC brands continued to struggle.
- The China joint venture saw a year-on-year decline in revenue due to the scrapping of unprofitable stores (a decrease of 50 stores from the end of the previous fiscal year) in addition to the difficult environment for personal consumption.
- In the U.S., orders recovered as a result of the stabilization of product supply, and sales increased year-on- year.

Gross Profit — 24.77 bil (96.5% YoY)

- In the domestic business, gross profit was 96.1% year-on-year due to factors such as the soaring purchase cost ratio, sluggish growth in discount sales, and an increase in valuation losses on merchandise.

Operating Profit — 0.93 bil (51.9% YoY)

- The decline in gross profit could not be offset due to factors such as SG&A-to-sales ratio rising by 1.4 points in the domestic business compared to the same period last year.

Profit Attributable to Owners of Parent — (0.46) bil (same period last year was 1.18 bil)

- Due to the share of loss of entities accounted for using equity method of 834 million yen from the China joint venture, the result was lower than the same period last year.

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FY2025/02 3Q Cumulative Results: Domestic Business

(JPY mil)	FY2025/02 3Q Cumulative		FY2024/02 3Q Cumulative
		YoY	
Net Sales	**38,685**	96.7%	40,026
(Store Sales)	**28,577**	96.5%	29,601
(EC Sales)	**7,922**	103.1%	7,687
Gross Profit	**23,203**	96.1%	24,156
Gross Profit Ratio	60.0%	(0.4)pt	60.4%
SG&A Expenses	**22,685**	99.0%	22,913
SG&A-to-Sales Ratio	58.6%	+1.4pt	57.2%
Operating Profit	**517**	41.6%	1,243
Operating Profit Ratio	1.3%	(1.8)pt	3.1%
Ordinary Profit	**417**	32.5%	1,282
Ordinary Profit Ratio	1.1%	(2.1)pt	3.2%
Profit	**174**	21.2%	822
Profit Ratio	0.4%	(1.7)pt	2.1%

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FY2025/02 3Q Cumulative Results: Overseas Business

China JV

- Due to the suppression of purchase, sales from China JV were 80.7% year-on-year. A share of loss of entities accounted for using equity method of 834 million yen was recorded due to scrapping of unprofitable stores and valuation losses on merchandise.
- Due to sluggish growth in retail sales, royalties were 53.0% year-on-year.
- The number of stores decreased by 50 compared to the end of the last fiscal year to 194. We will continue our strategy of maintaining the number of stores, particularly in Beijing and Shanghai, where the impact of the economic downturn in China is minimal, and scrapping unprofitable directly operated stores in regional areas. In addition, we will strengthen the shift to franchising and e-commerce for stores.

(JPY mil)	FY2025/02 3Q Cumulative		FY2024/02 3Q Cumulative	
	Amount	YoY	Amount	YoY
Sales from China JV				
Wholesale	3,336	82.2%	4,057	115.6%
Royalty	120	53.0%	228	86.1%
Total sales	3,457	80.7%	4,285	113.5%
Profit from China JV				
Equity-method investment gain	(834)	-	(37)	-
51% of JV subsidiary	83	46.2%	181	96.9%
Royalty after tax	84	53.0%	159	86.1%
Total profit	(665)	-	303	-

U.S. Business

- In the U.S. business, wholesale sales remained strong as orders recovered with the stabilization of product supply. In addition, EC sales also grew, resulting in year-on-year increases in sales and profits.

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FY2025/02 3Q Cumulative Consolidated Sales Breakdown

(JPY mil)	FY2025/02 3Q Cumulative			FY2024/02 3Q Cumulative	
	Actual	Composition	YoY	Actual	Composition
Net sales	42,667		96.5%	44,236	
FB/SB Brands	14,183	33.2%	102.0%	13,903	31.4%
SC Brands	18,519	43.4%	93.5%	19,802	44.8%
Dept. Store Brands	4,357	10.2%	101.0%	4,313	9.8%
Overseas	5,023	11.8%	90.9%	5,526	12.5%
Others	583	1.4%	84.4%	691	1.6%

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FY2025/02 3Q Cumulative Consolidated SG&A Expenses

(JPY mil)	FY2025/02 3Q Cumulative		FY2024/02 3Q Cumulative
		YoY	
Net Sales	**42,667**	96.5%	44,236
SG&A Expenses	**23,843**	99.9%	23,878
	55.9%	+1.9pt	54.0%
Advertising and promotional cost	**1,438**	106.1%	1,356
	3.4%	+0.3pt	3.1%
Salaries and wages	**4,342**	100.7%	4,310
	10.2%	+0.5pt	9.7%
Store rent and fee for franchisee	**9,495**	99.6%	9,529
	22.3%	+0.8pt	21.5%
Depreciation	**682**	102.1%	668
	1.6%	+0.1pt	1.5%
Others	**7,884**	98.4%	8,013
	18.5%	+0.4pt	18.1%

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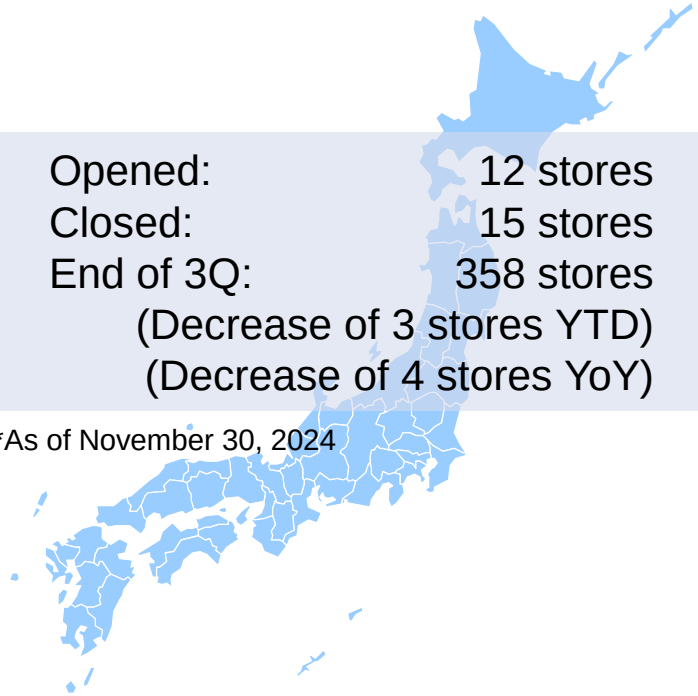
FY2025/02 3Q Consolidated Balance Sheet

(JPY mil)	FY2025/02 (2024/11/30)			FY2024/02 (2023/11/30)	
	Amount	Composition	YoY	Amount	Composition
Cash and Deposits	7,916	21.4%	76.8%	10,304	25.7%
Accounts Receivable - Trade	11,667	31.5%	98.0%	11,909	29.8%
Merchandise	7,227	19.5%	91.4%	7,909	19.8%
Other Current Assets	457	1.2%	89.3%	511	1.3%
Non-Current Assets	9,799	26.4%	104.4%	9,386	23.5%
Total Assets	37,068	100.0%	92.6%	40,022	100.0%
Liabilities	16,448	44.4%	94.8%	17,351	43.4%
Net Assets	20,620	55.6%	91.0%	22,670	56.6%

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FY2025/02 3Q Cumulative Store Openings & Closures

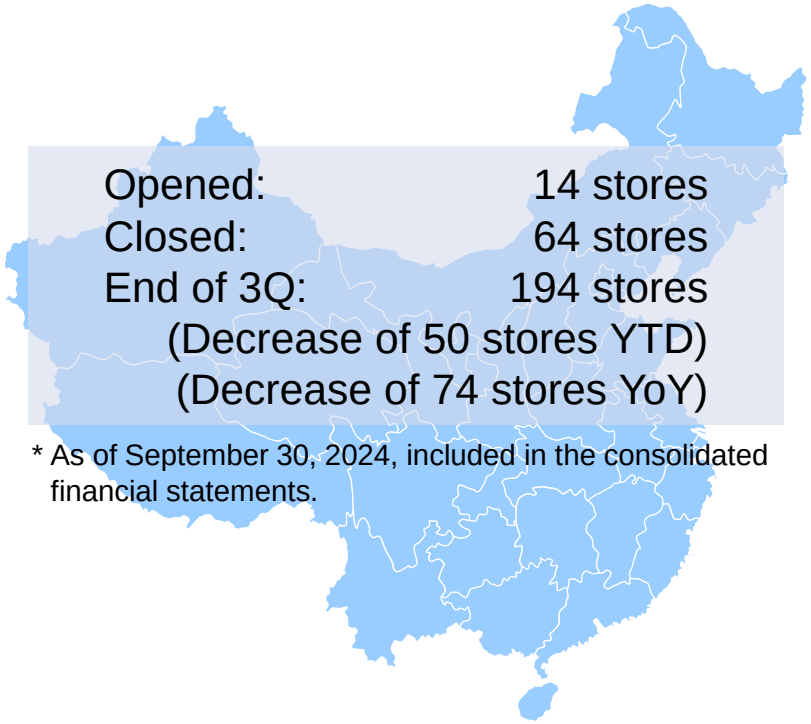
JAPAN



Opened:	12 stores
Closed:	15 stores
End of 3Q:	358 stores
(Decrease of 3 stores YTD)	
(Decrease of 4 stores YoY)	

*As of November 30, 2024

CHINA JV



Opened:	14 stores
Closed:	64 stores
End of 3Q:	194 stores
(Decrease of 50 stores YTD)	
(Decrease of 74 stores YoY)	

* As of September 30, 2024, included in the consolidated financial statements.

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Stores in the China JV

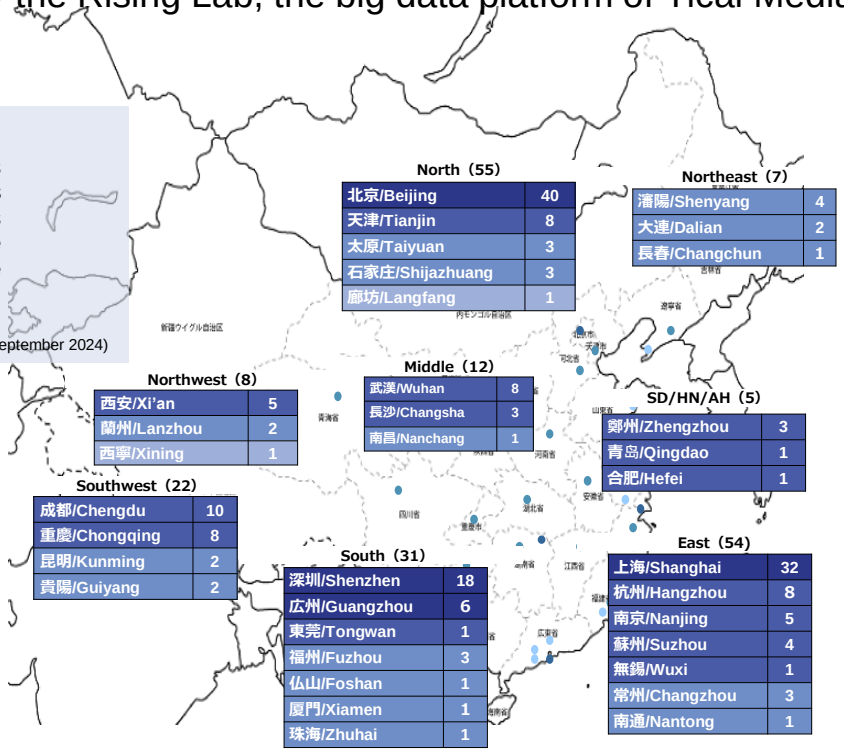
- Number of stores in China: 194 stores (as of the end of September 2024)
- The number of areas was changed from 5 (East, West, South, North, and Middle) to 8 (East, South, North, Middle, Northeast, Northwest, Southwest, and SD/HN/AH (Shandong/Henan/Anhui)), following the restructuring of areas effective September 1, 2023.
- Cities are generally classified based on the “Ranking of Cities’ Business Attractiveness in China” published annually by the Rising Lab, the big data platform of Yicai Media Group.

■ Number of stores: 194

- 1st tier city: 4 cities; 96 stores
- New 1st tier city: 14 cities; 66 stores
- 2nd tier city: 15 cities; 30 stores
- 3rd tier city: 1 city; 1 store
- 4th tier city: 1 city; 1 store

■ Number of cities: 35

(As of the end of September 2024)



City Ranking Overview	
Selection Index	• Concentration of commercial resources • City as a hub • Urban residents’ activity • Lifestyle diversity • Future potential, etc. Based on the indexes above, 337 cities in China are comprehensively assessed and classified into five ranks from 1st tier to new 1st tier, 2nd tier, 3rd tier, 4th tier, and 5th tier.
Start Year	2016 (published once a year)
Notes	The rankings change each year. The 2024 ranking was compiled based on the data of 2023 through early 2024.

Our Classification of Cities

1st tier cities (4): Shanghai, Beijing, Shenzhen, and Guangzhou
New 1st tier cities (15): Chengdu, Hangzhou, Chongqing, Suzhou, Wuhan, Xi'an, Nanjing, Changsha, Tianjin, Zhengzhou, Dongguan, Wuxi, Ningbo, Qingdao, and Hefei
2nd tier cities (30): Foshan, Shenyang, Kunming, Jinan, Xiamen, Fuzhou, Wenzhou, Changzhou, Dalian, Shijiazhuang, Nanning, Harbin, Jinhua, Nanchang, Changchun, Nantong, Quanzhou, Guiyang, Jiaxing, Taiyuan, Huizhou, Xuzhou, Shaoxing, Zhongshan, Taizhou, Yantai, Zhuhai, Baoding, Weifang, and Lanzhou
3rd tier cities (70): Please refer to the Japanese version.

* The above are grouped based on the “Ranking of Cities’ Business Attractiveness in China 2024” (published by Yicai Media Group and the Rising Lab on May 30, 2024).

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1	FY2025/02 Third Quarter Cumulative Results Overview
2	Revision to FY2025/02 Full Year Financial Results Forecast

Revision to FY2025/02 Full Year Financial Results Forecast

(JPY mil)	Previous Forecast	% of net sales	Revised forecast	% of net sales	Change from previous forecast	vs. previous forecast
Net Sales	63,288	100.0%	57,714	100.0%	▲5,574	91.2%
Gross Profit	37,059	58.6%	32,881	57.0%	▲4,178	88.7%
SG&A Expenses	34,708	54.8%	32,438	56.2%	▲2,270	93.5%
Operating Profit	2,350	3.7%	443	0.8%	▲1,907	18.9%
Ordinary Profit (Loss)	2,061	3.3%	▲676	–	▲2,737	–
Profit (Loss) Attributable to Owners of Parent	1,204	1.9%	▲1,090	–	▲2,294	–
Basic Earnings per Share (yen)	33.42		▲30.31		–	–

- Based on the results for the first nine months of the fiscal year, we have made the above revisions to the full-year financial results forecast for FY2025/02, which was announced on April 15, 2024.
- Both net sales and gross profit fell short of plans due to a decline in domestic sales resulting from a decrease in the number of customers for our mainstay SC brands, as well as the recording of valuation losses on merchandise. Furthermore, operating profit decreased affected by an increase in SG&A expenses resulting from improved treatments for employee retention, strengthened advertising and sales promotion activities in line with the reinforcement of EC, and system-related expenses.
- In the China JV, despite proactive scrap activities by closing unprofitable stores, mainly in regional areas, we were unable to improve profitability at the retail company, as the decline in personal consumption was more severe than expected. While the U.S. business grew, it was not strong enough to underpin the consolidated results.

Shareholder Dividends

- The annual dividend for FY2025/02 remains unchanged at 38 yen per share, as announced in the previous forecast.

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Appendix

Test Marketing in The SHEL'TTER TOKYO

- On November 23, 2024, we opened a limited store for D2C brand SINSS in The SHEL'TTER TOKYO’s flagship store in Tokyu Plaza Omotesando “Omokado” to promote collaboration with contents with high sales potential.







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Development of Ladies' Footwear Business with China JV Partner

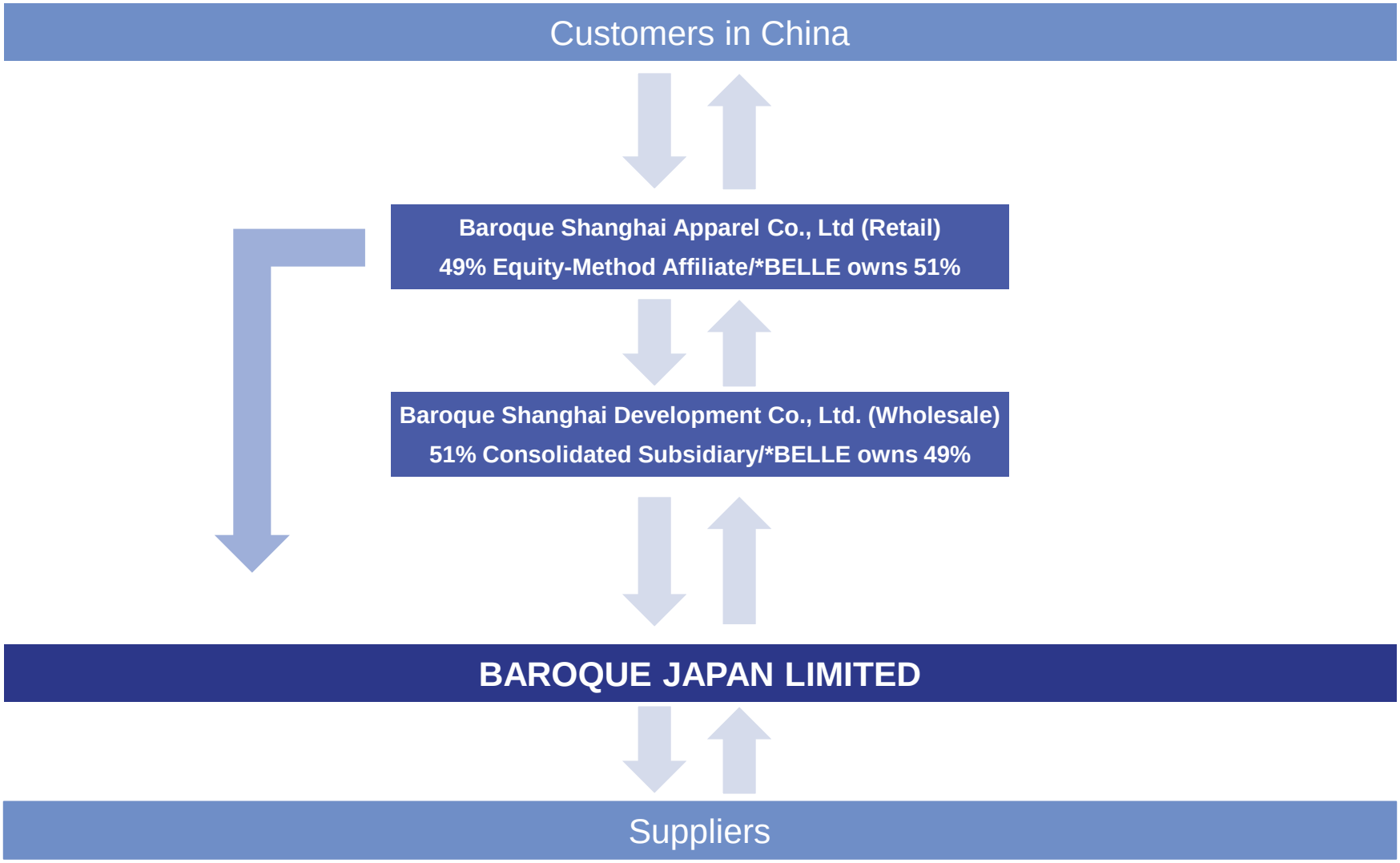
- STACCATO has held the second round of the STACCATO JAPAN 10th Anniversary Fair from October 30, 2024, commemorating the 10th anniversary of its launch in Japan.
- We will further enhance our collaboration with Belle Fashion Group, our China JV partner and the largest SPA in the Chinese ladies' footwear market with a share of over 12%.





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China JV Structure



*BELLE: BELLE INTERNATIONAL HOLDINGS LIMITED

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Disclaimer Regarding Forward-Looking Statements

This document contains forward-looking statements regarding the outlook, targets, plans, etc. of the Company and its Group companies. These are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and actual results may differ significantly from these statements due to various factors in the future.

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